

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City
SIXTEENTH CONGRESS
First Regular Session
House Bill No. **3252**



Introduced by **Hon. Sol Aragon**

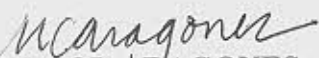
EXPLANATORY NOTE

Rice production in the Philippines has tripled from 5.32 million tons in 1970 to a peak of 16.82 million tons in 2008. A couple of strong typhoons caused a decline in palay production in 2010 to 15.77 million metric tons (MMT). In 2011, production rose to 16.68 MMT, an improvement over 2010 but still below the 2008 production level. The Philippines' area harvested to rice is much smaller compared to the major rice producing countries in Asia. This is the primary reason why we import rice.

It has been reported that rice prices are going up, rising by P2 per kilo in public markets in Bulacan and by P3 to P4 per kilo in Pampanga. The Kilusang Magbubukid ng Pilipinas (KMP) recently announced that the retail price of rice was pegged at P35 to P37 per kilo, up from P32 to P34 per kilo during the first round of price increases in early July of this year.

One big threat cited by the Department of Agriculture when it comes to rice production is the price of fertilizers. It is thus necessary to restore the subsidy provided by the state to rice farmers in the purchase of their fertilizers. However, this needs to be done in a regulated, controlled, and Congress-reviewed environment.

The policy objectives of this bill are as follows: (1) support the livelihoods of rice farmers; (2) achieve national self-sufficiency in rice; (3) ensure that it is financially sustainable for the government; (4) curtail transaction costs and inefficiencies associated with distribution; and (5) minimize environmental pollution due to the over-application of fertilizer. In light of the foregoing, the immediate passage of this bill is earnestly requested


HON. SOL ARAGONES
Representative, 3rd District of Laguna

1 SECTION 5. *Program Safeguards.* – The following safeguards are required for the
2 implementation of this Act –

- 3 A. The beneficiaries shall be required to register with a government issued
4 identification card and whose farm should be verified to be rice-producing;
- 5 B. The Department shall train the farmer-beneficiaries on the proper use of the
6 subsidized fertilizers;
- 7 C. The Department shall submit an annual report to the agriculture committee of both
8 houses of Congress on the implementation of this program;
- 9 D. The report of qualified farmers and actual beneficiaries shall be submitted to the
10 Commission on Audit on a quarterly basis.

11 SECTION 6. *Requirements for Farmer Beneficiaries.* – The following are required
12 for farmer beneficiaries:

- 13 A. Application for Fertilizer Subsidy (AFS) which shall also serve as the registration
14 and database form;
- 15 B. Farm Plan and Budget (FPB) showing schedule of farm activities, e.g., date of
16 planting and harvest, etc.;
- 17 C. Location Sketch Plan (LSP)/Control Map (CM) showing landmarks and names of
18 adjoining lot owners; and
- 19 D. They should sell fifty percent (50%) of their harvest to the National Food
20 Authority (NFA) as stock buffer for food security.

21 SECTION 7. *Farm Eligibility.* – The following are the eligibility requirements for
22 rice farms:

A. The farm must not be part of a riverbed, lakebed, marshland, shoreline or riverbank;

B. The farm must have an effective irrigation and drainage systems. Rain-fed areas are eligible farms during wet cropping season subject to planting cutoff date;

C. The farm must be accessible to regular means of transportation; and

D. The farm must be suitable for production purposes.

SECTION 8. *Program Report.* – The Department shall annually submit to the agricultural committee of both houses of congress a report assessing the fertilizer subsidy program. Each report required shall include, for the one-year period ending on March 1 of the year in which the report is submitted –

A. the number of farmers that participated in the program;

B. information regarding the demographic characteristics of the farmers, including their educational background;

C. a description of the steps taken by the Department to help the farmer-beneficiaries;

D. the amount of rice harvest sold by the farmer-beneficiaries to the National Food Authority; and

E. an assessment of the success or failure of the fertilizer subsidy program on the standards of increasing rice production and improving the living condition of the rice farmers.

SECTION 9. *Separability Clause.* – If any provision or part hereof, is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

SECTION 10. *Repealing Clause.* – Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or is inconsistent with the provision of this Act is hereby repealed, modified, or amended accordingly.

SECTION 11. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,